Government of Saskatchewan

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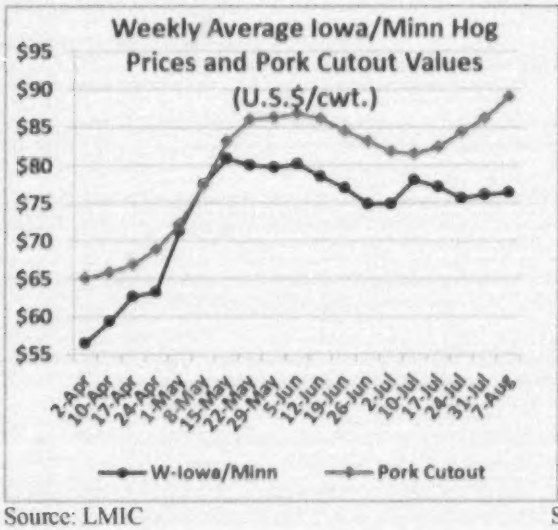
Weekly Hog Report

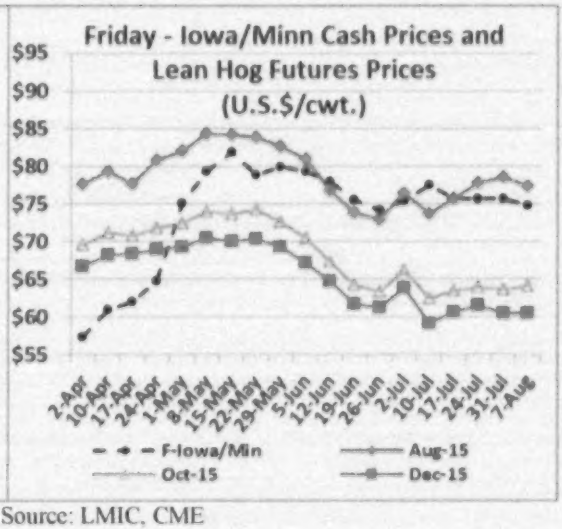
August 10, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed over the week and edged lower, week-over-week. Hog prices on Friday August 7 averaged US$74.70 per cwt, down US$0.84 per cwt from US$75.54 per cwt the previous Friday. The negotiated base price last week averaged US$76.29 per cwt, up slightly from US$76.09 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday August 7, 2015 was $178.81 per ckg, down $2.51 per ckg or 1.4 per cent from $181.32 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $182.31 per ckg, up $2.22 per ckg from the previous weeks' average price of $180.09 per ckg.

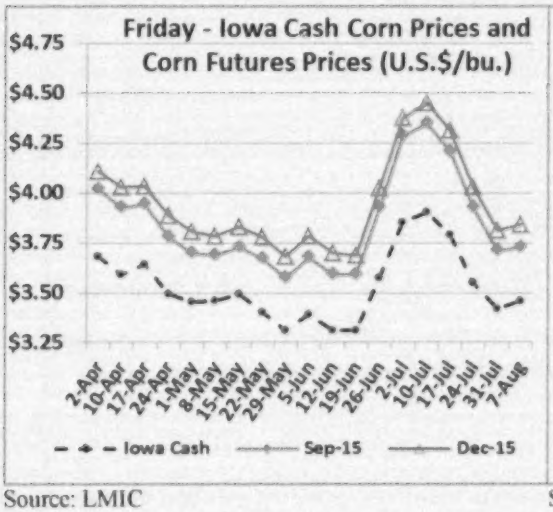
The Canadian dollar was mixed last week but still edged lower to close Friday at 76.14 cents; down 0.31 cents from the previous Friday's close of 76.45 cents.

Futures Markets

Lean hog futures daily prices were mixed last week up early in the week but declined later in the week to end Friday mixed, week-over-week. The nearby August contract declined US$1.175 per cwt to settle Friday at US$77.325 per cwt, while the October contract increased US$0.400 per cwt to settle Friday at US$64.125 per cwt. The December contract was almost unchanged to settle last Friday at US$60.475 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$21.55 per head, up US$1.06 per head from US$20.49 per head the previous week. Feeders (40lb) were US$38.67 per head, down $1.28 per head from US$39.95 per head the previous week.



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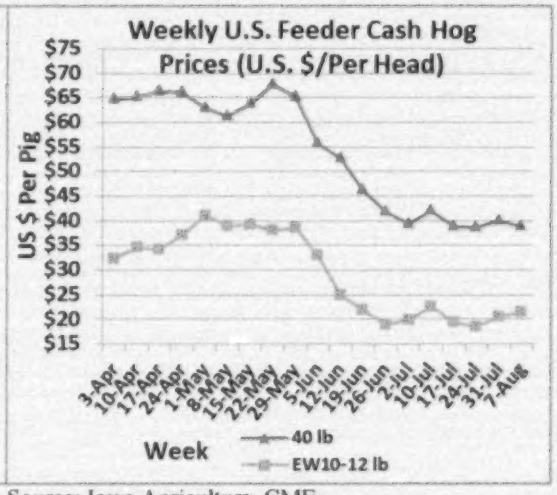


Source: Iowa Agriculture, CME

Iowa cash corn prices edged higher last week increasing four cents per bushel to settle Friday at US$3.46 per bushel. U.S. daily corn futures prices were mixed over the week and ended a few cents higher, week-over-week. The September corn futures contract increased almost two cents last week to settle Friday at US$3.72¾ per bushel, while the December corn futures contract increased 2½ cents per bushel to settle Friday at US$3.83¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending August 8 were estimated at 2.126 million head, down 0.3 per cent from 2.132 million head the previous week, but up 10.3 per cent from 1.928 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending August 8 averaged 2.108 million head per week, up 12.5 per cent from 1.875 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending August 1, 2015 were estimated at 400,279 head, down 0.3 per cent from 401,521 head the previous week, but up 4.8 per cent from 382,036 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending August 1, 2015, were estimated to average 405,638 head, up 3.8 per cent from 390,794 head over the same period a year ago. Year-over-year, Canadian hogs slaughtered are up 3.0 per cent, at 12.354 million head.

In Western Canada, hogs slaughtered over the last four weeks ending August 1, 2015 averaged 165,596 head, up 0.8 per cent from 164,330 head over the same four weeks a year ago. Western Canadian hogs slaughtered year-to-date totaled 5.112 million head, up about 3.0 per cent from 4.965 million head the same period a year ago.

Meat Production

U.S. pork production for the week ending August 8, 2015 was estimated at 447.1 million lb., down 0.4 per cent from 448.7 million lb. the previous week, but up 8.8 per cent from 410.8 million lb. the same week a year ago. Pork production over the last four weeks ending August 8 was estimated to average 443.0 million lb., up 10.9 per cent from 399.4 million lb. over the same four week period a year ago.

U.S. beef production for the week ending August 8 totaled 440.1 million lb., up 0.8 per cent from 436.8 million lb. the previous week, but down 5.1 per cent from 463.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending August 1, 2015, was estimated to average 1.965 billion lb., up 3.0 per cent from 1.907 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.9 per cent compared to the same period in 2014.

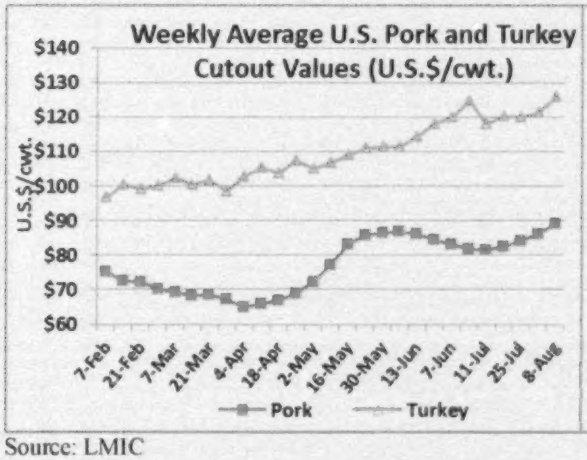
United States Weekly Meat Production

(Aug. 1) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	395.8	440.7	11.4%	7.7%
Beef	465.1	445.0	-4.3%	-4.1%
Chicken	913.3	958.3	4.9%	7.0%
Turkey	133.3	120.6	-9.5%	-1.8%
Total	**1,907.5**	**1,964.6**	**2.99%**	**3.86%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending August 8, 2015 averaged US$88.96 per cwt, up US$2.81 per cwt or 3.3 per cent from US$86.15 per cwt the previous week, but down 29.8 per cent from US$126.70 per cwt from a year ago. Pork cutout values have been rising over the last few weeks which should be positive for hog prices.



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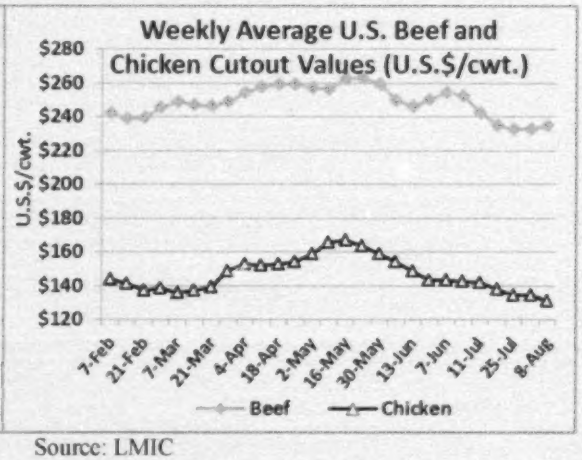


Source: LMIC

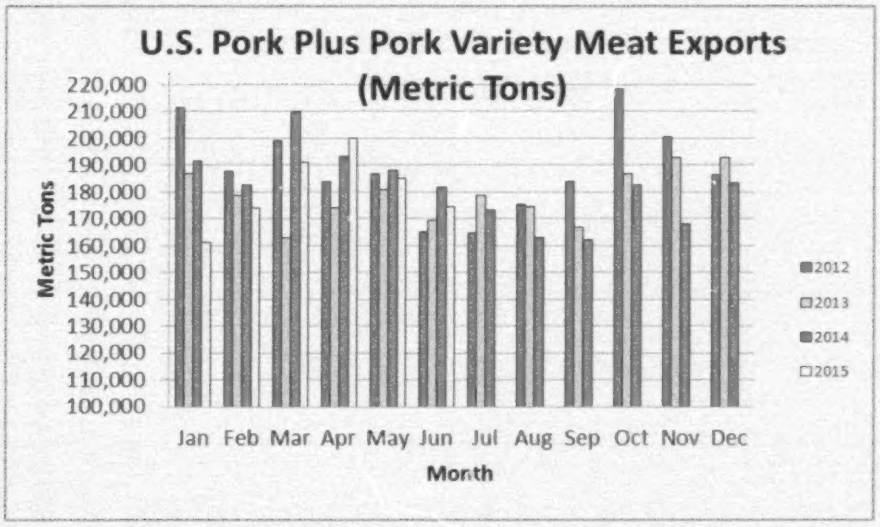
Average beef cutout values (Choice 600-900 lb.) for the week ending August 8, 2015 averaged US$234.84 per cwt, up US$2.11 per cwt from US$232.73 per cwt from the previous week, but down 10.5 per cent from US$262.26 per cwt the same week a year ago.

Average chicken cutout values (Northeast breast) for the week ending August 8, 2015 averaged US$131.16 per cwt, down US$3.07 per cwt from US$134.23 per cwt the previous week, and down 29.9 per cent from US$186.99 per cwt the same week a year ago.

United States Pork Exports

United States exported 174,554 metric tons of pork plus pork variety meats in June 2015, down 5.6 per cent from 184,865 metric tons in May 2015, and down 3.8 per cent from 181,531 metric tons in June 2014. By dollar amount, U.S. pork exports in June 2015 were US$454.1 million, down 7.2 per cent from US$489.2 million in May 2015, and down 22.4 per cent from US$585.1 million in June 2014.

Year-to-date as of June 2015, U.S. pork plus pork variety meat exports by volume are lower to Japan, Hong Kong/China, and Canada, but still higher to Mexico. However, by dollar value exports are lower to Mexico, likely on lower cuts being sent there. (Source: U.S. Meat Export Federation)



United States pork plus variety meat exports increased early in 2015 peaking with top exports by volume (200,125 metric tons) and sales values (US$512,103,000) in April 2015, before declining the last two months. It looks like the strong U.S. dollar is starting to affect U.S. pork exports, while U.S. production has been higher in 2015.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca